

House File 2302

HOUSE FILE _____
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 122)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to gambling, concerning the operation, licensure,
2 regulation, fee assessment, and taxation of racetracks and
3 excursion gambling boats, imposing a moratorium for issuance
4 of licenses for certain gambling games and pari-mutuel
5 wagering, including pari-mutuel wagering, horse purses and
6 gambling games at racetracks and on gambling boats, racing and
7 gaming commission employees, gambling treatment fund and
8 county endowment fund appropriations, gambling by minors and
9 others, and providing penalties and including effective and
10 retroactive applicability date provisions.
11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
12 HF 2302
13 ec/es/25

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1 1 Section 1. NEW SECTION. 15E.311 COUNTY ENDOWMENT FUND.
1 2 1. The purpose of this section is to enhance the quality
1 3 of life for citizens of Iowa by providing moneys to new or
1 4 existing citizen groups of this state organized to establish
1 5 county affiliate funds or community foundations that will
1 6 address countywide needs.
1 7 2. A county endowment fund is created in the state
1 8 treasury under the control of the department of revenue. The
1 9 fund consists of all moneys appropriated to the fund. Moneys
1 10 in the fund shall be distributed by the department as provided
1 11 in this section.
1 12 3. a. At the end of each fiscal year, moneys in the fund
1 13 shall be transferred into separate accounts within the fund
1 14 and designated for use by each county in which no licensee
1 15 authorized to conduct gambling games under chapter 99F was
1 16 located during that fiscal year. Moneys transferred to county
1 17 accounts shall be divided equally among the counties. Moneys
1 18 transferred into an account for a county shall be transferred
1 19 by the department to an eligible county recipient for that
1 20 county. Of the moneys transferred, an eligible county
1 21 recipient shall distribute eighty percent of the moneys as
1 22 grants to charitable organizations for educational, civic,
1 23 public, charitable, patriotic, or religious uses, as defined
1 24 in section 99B.7, subsection 3, paragraph "b", in that county
1 25 and shall retain twenty percent of the moneys for use in
1 26 establishing a permanent endowment fund for the benefit of
1 27 charitable organizations for educational, civic, public,
1 28 charitable, patriotic, or religious uses, as defined in
1 29 section 99B.7, subsection 3, paragraph "b".
1 30 b. If a county does not have an eligible county recipient,
1 31 moneys in the account for that county shall remain in that
1 32 account until an eligible county recipient for that county is
1 33 established.
1 34 c. For purposes of this subsection, an "eligible county
1 35 recipient" means a qualified community foundation or community
2 1 affiliate organization, as defined in section 15E.303, that is
2 2 selected, in accordance with the procedures described in
2 3 section 15E.304, to receive moneys from an account created in
2 4 this section for a particular county. To be selected as an
2 5 eligible county recipient, a community affiliate organization
2 6 shall establish a county affiliate fund to receive moneys as
2 7 provided by this section.
2 8 4. Notwithstanding section 12C.7, subsection 2, interest
2 9 or earnings on moneys deposited in the county endowment fund
2 10 shall be credited to the county endowment fund.
2 11 Notwithstanding section 8.33, moneys credited to the county
2 12 endowment fund shall not revert at the close of a fiscal year.
2 13 Sec. 2. Section 99D.2, subsection 8, Code 2003, is amended

2 14 to read as follows:

2 15 8. "Racetrack enclosure" means all real property utilized
2 16 for the conduct of a race meeting, including the racetrack,
2 17 grandstand, clubhouse, turf club or other areas of a licensed
2 18 racetrack which a person may enter only upon payment of an
2 19 admission fee, or upon payment by another, at any time, based
2 20 upon the person's admittance, or upon presentation of
2 21 authorized credentials. "Racetrack enclosure" also means
2 22 concession stands, offices, barns, kennels and barn areas,
2 23 employee housing facilities, parking lots, and any additional

2 24 areas designated by the commission.

2 25 Sec. 3. Section 99D.2, Code 2003, is amended by adding the
2 26 following new subsection:

2 27 NEW SUBSECTION. 9. "Wagering area" means that portion of
2 28 a racetrack in which a licensee may receive wagers of money
2 29 from a person present in a licensed racing enclosure on a
2 30 horse or dog in a race selected by the person making the wager
2 31 as designated by the commission.

2 32 Sec. 4. Section 99D.5, subsection 4, Code 2003, is amended
2 33 to read as follows:

2 34 4. Commission members are each entitled to receive an
2 35 annual salary of six thousand dollars. Members shall also be
3 1 reimbursed for actual expenses incurred in the performance of
3 2 their duties to a maximum of thirty thousand dollars per year
3 3 for the commission. Each member shall ~~post a bond in the~~
3 4 ~~amount of ten thousand dollars, with sureties to be approved~~
3 5 ~~by the governor, to guarantee the proper handling and~~
3 6 ~~accounting of moneys and other properties required in the~~
3 7 ~~administration of this chapter. The premiums on the bonds~~
3 8 ~~shall be paid as other expenses of the commission be covered~~
3 9 ~~by the blanket surety bond of the state purchased pursuant to~~
3 10 ~~section 8A.321, subsection 12.~~

3 11 Sec. 5. Section 99D.6, Code 2003, is amended to read as
3 12 follows:

3 13 99D.6 CHAIRPERSON == ADMINISTRATOR == EMPLOYEES == DUTIES
3 14 == BOND.

3 15 The commission shall elect in July of each year one of its
3 16 members as chairperson for the succeeding year. The
3 17 commission shall appoint an administrator of the commission
3 18 subject to confirmation by the senate. The administrator
3 19 shall serve a four-year term. The term shall begin and end in
3 20 the same manner as set forth in section 69.19. A vacancy
3 21 shall be filled for the unexpired portion of the term in the
3 22 same manner as a full-term appointment is made. The
3 23 administrator may hire other assistants and employees as
3 24 necessary to carry out the commission's duties. Employees in
3 25 the positions of equine veterinarian, canine veterinarian, and
3 26 equine steward shall be exempt from the merit system
3 27 provisions of chapter 8A, subchapter IV, and shall not be
3 28 covered by a collective bargaining agreement. Some or all of
3 29 the information required of applicants in section 99D.8A,
3 30 subsections 1 and 2, may also be required of employees of the
3 31 commission if the commission deems it necessary. The
3 32 administrator shall keep a record of the proceedings of the
3 33 commission, and preserve the books, records, and documents
3 34 entrusted to the administrator's care. ~~The commission shall~~
3 35 ~~require the administrator to post a bond in a sum it may fix,~~
4 1 ~~conditioned upon the faithful performance of the~~
4 2 ~~administrator's duties shall be covered by the blanket surety~~
4 3 ~~bond of the state purchased pursuant to section 8A.321,~~
4 4 ~~subsection 12.~~ Subject to the approval of the governor, the
4 5 commission shall fix the compensation of the administrator
4 6 within the salary range as set by the general assembly. The
4 7 commission shall have its headquarters in the city of Des
4 8 Moines, and shall meet in July of each year and at other times
4 9 and places as it finds necessary for the discharge of its
4 10 duties.

4 11 Sec. 6. Section 99D.7, subsection 8, Code 2003, is amended
4 12 to read as follows:

4 13 8. To investigate alleged violations of this chapter or
4 14 the commission rules, orders, or final decisions and to take
4 15 appropriate disciplinary action against a licensee or a holder
4 16 of an occupational license for the violation, or institute
4 17 appropriate legal action for enforcement, or both.

4 18 Information gathered during an investigation is confidential
4 19 during the pendency of the investigation. Decisions by the
4 20 commission are final agency actions pursuant to chapter 17A.

4 21 Sec. 7. Section 99D.7, subsection 19, Code 2003, is
4 22 amended to read as follows:

4 23 19. To require licensees to indicate in their racing
4 24 programs those horses which are treated with the legal

4 25 medication ~~lasix~~ furosemide or phenylbutazone. The program
4 26 shall also indicate if it is the first or subsequent time that
4 27 a horse is racing with ~~lasix~~ furosemide, or if the horse has
4 28 previously raced with ~~lasix~~ furosemide and the present race is
4 29 the first race for the horse without ~~lasix~~ furosemide
4 30 following its use.

4 31 Sec. 8. Section 99D.7, Code 2003, is amended by adding the
4 32 following new subsection:

4 33 NEW SUBSECTION. 23. To require licensees to establish a
4 34 process to allow a person to be voluntarily excluded for life
4 35 from a racetrack enclosure and all other licensed facilities
5 1 under this chapter and chapter 99F. The process established
5 2 shall require that a licensee disseminate information
5 3 regarding persons voluntarily excluded to all licensees under
5 4 this chapter and chapter 99F. The state and any licensee
5 5 under this chapter or chapter 99F shall not be liable to any
5 6 person for any claim which may arise from this process. In
5 7 addition to any other penalty provided by law, any money or
5 8 thing of value that has been obtained by, or is owed to, a
5 9 voluntarily excluded person by a licensee as a result of
5 10 wagers made by the person after the person has been
5 11 voluntarily excluded shall not be paid to the person but shall
5 12 be deposited into the gambling treatment fund created in
5 13 section 135.150.

5 14 Sec. 9. Section 99D.9, subsections 1 and 2, Code 2003, are
5 15 amended to read as follows:

5 16 1. If the commission is satisfied that its rules and
5 17 sections 99D.8 through 99D.25 applicable to licensees have
5 18 been or will be complied with, it may issue a license for a
5 19 period of not more than three years. The commission may
5 20 decide which types of racing it will permit. The commission
5 21 may permit dog racing, horse racing of various types, or both
5 22 dog and horse racing. The commission shall decide the number,
5 23 location, and type of all racetracks licensed under this
5 24 chapter. The license shall set forth the name of the
5 25 licensee, the type of license granted, the place where the
5 26 race meeting is to be held, and the time and number of days
5 27 during which racing may be conducted by the licensee. ~~The~~
5 28 ~~commission shall not approve the licenses for racetracks in~~
5 29 ~~Dubuque county and Black Hawk county if the proposed racing~~
5 30 ~~schedules of the two tracks conflict.~~ The commission shall
5 31 not approve a license application if any part of the racetrack
5 32 is to be constructed on prime farmland outside the city limits
5 33 of an incorporated city. As used in this subsection, "prime
5 34 farmland" means as defined by the United States department of
5 35 agriculture in 7 C.F.R. ~~sec. 1~~ 657.5(a). A license is not
6 1 transferable or assignable. The commission may revoke any
6 2 license issued for good cause upon reasonable notice and
6 3 hearing. The commission shall conduct a neighborhood impact
6 4 study to determine the impact of granting a license on the
6 5 quality of life in neighborhoods adjacent to the proposed
6 6 racetrack facility. The applicant for the license shall
6 7 reimburse the commission for the costs incurred in making the
6 8 study. A copy of the study shall be retained on file with the
6 9 commission and shall be a public record. The study shall be
6 10 completed before the commission may issue a license for the
6 11 proposed facility.

6 12 2. A license shall only be granted to a nonprofit
6 13 corporation or association upon the express condition that+
6 14 ~~a. The the~~ nonprofit corporation or association shall not,
6 15 by a lease, contract, understanding, or arrangement of any
6 16 kind, grant, assign, or turn over to a person the operation of
6 17 a race meeting licensed under this section or of the pari=
6 18 mutuel system of wagering described in section 99D.11. This
6 19 section does not prohibit a management contract approved by
6 20 the commission.

6 21 ~~b. The nonprofit corporation shall not in any manner~~
6 22 ~~permit a person other than the licensee to have a share,~~
6 23 ~~percentage, or proportion of the money received for admissions~~
6 24 ~~to the race or race meeting.~~

6 25 Sec. 10. Section 99D.9, subsection 6, Code 2003, is
6 26 amended to read as follows:

6 27 6. (1) A licensee ~~may~~ shall not loan to any person money
6 28 or any other thing of value for the purpose of permitting that
6 29 person to wager on any race.

6 30 (2) A licensee shall not permit a financial institution,
6 31 vendor, or other person to dispense cash or credit through an
6 32 electronic or mechanical device including but not limited to a
6 33 satellite terminal as defined in section 527.2, that is
6 34 located in the wagering area.

6 35 (3) A licensee shall ensure that a person may voluntarily

7 1 bar the person's access to receive cash or credit from a
7 2 financial institution, vendor, or other person through an
7 3 electronic or mechanical device including but not limited to a
7 4 satellite terminal as defined in section 527.2, that is
7 5 located on the licensed premises.
7 6 Sec. 11. Section 99D.9, Code 2003, is amended by adding
7 7 the following new subsection:
7 8 NEW SUBSECTION. 8. The commission shall require that a
7 9 licensee utilize Iowa resources, goods, and services in the
7 10 operation of a racetrack enclosure. The commission shall
7 11 develop standards to assure that a substantial amount of all
7 12 resources and goods used in the operation of a racetrack
7 13 enclosure emanate from and are made in Iowa and that a
7 14 substantial amount of all services and entertainment are
7 15 provided by Iowans.
7 16 Sec. 12. NEW SECTION. 99D.9A MORATORIUM.
7 17 The commission shall not issue a license to conduct pari=
7 18 mutuel wagering at a racetrack pursuant to this chapter as
7 19 provided in section 99F.4C.
7 20 Sec. 13. Section 99D.11, subsection 7, Code 2003, is
7 21 amended to read as follows:
7 22 7. A person under the age of twenty=one years shall not
7 23 make or attempt to make a pari=mutuel wager. A person who
7 24 violates this subsection commits a scheduled violation under
7 25 section 805.8C, subsection 4.
7 26 Sec. 14. Section 99D.14, subsection 2, Code 2003, is
7 27 amended by striking the subsection and inserting in lieu
7 28 thereof the following:
7 29 2. A licensee shall pay a regulatory fee to be charged as
7 30 provided in this section. In determining the regulatory fee
7 31 to be charged as provided under this section, the commission
7 32 shall use the amount appropriated to the commission plus the
7 33 cost of salaries for no more than two special agents for each
7 34 racetrack that has not been issued a table games license under
7 35 chapter 99F or no more than three special agents for each
8 1 racetrack that has been issued a table games license under
8 2 chapter 99F, plus any direct and indirect support costs for
8 3 the agents, for the division of criminal investigation's
8 4 racetrack activities, as the basis for determining the amount
8 5 of revenue to be raised from the regulatory fee.
8 6 Sec. 15. Section 99D.14, subsection 7, Code 2003, is
8 7 amended by striking the subsection.
8 8 Sec. 16. Section 99D.15, subsection 3, paragraph d, Code
8 9 2003, is amended by striking the paragraph.
8 10 Sec. 17. Section 99D.15, Code 2003, is amended by adding
8 11 the following new subsection:
8 12 NEW SUBSECTION. 5. An amount equal to one=half of one
8 13 percent of the gross sum wagered by the pari=mutuel method
8 14 shall be deposited into the gambling treatment fund created in
8 15 section 135.150 from the tax revenue received by the
8 16 commission pursuant to subsections 1, 3, and 4.
8 17 Sec. 18. Section 99D.19, Code 2003, is amended to read as
8 18 follows:
8 19 99D.19 HORSE OR DOG RACING == LICENSEES == RECORDS ==
8 20 REPORTS == SUPERVISION.
8 21 1. A licensee shall keep its books and records so as to
8 22 clearly show the following:
8 23 ~~1. a. The total number of admissions to races conducted~~
~~8 24 by it on each racing day, including the number of admissions~~
~~8 25 upon free passes or complimentary tickets for each day of~~
8 26 ~~operation.~~
8 27 ~~2. b. The amount received daily from admission fees.~~
8 28 ~~3. The total amount of money wagered during the race meet~~
8 29 ~~for each day of operation.~~
8 30 2. The licensee shall furnish to the commission reports
8 31 and information as the commission may require with respect to
8 32 its activities. The commission may designate a representative
8 33 to attend a licensed race meeting, who shall have full access
8 34 to all places within the enclosure of the meeting and who
8 35 shall supervise and check the admissions. The compensation of
9 1 the representative shall be fixed by the commission but shall
9 2 be paid by the licensee.
9 3 Sec. 19. Section 99D.23, subsection 1, Code 2003, is
9 4 amended to read as follows:
9 5 1. The commission shall employ one or more chemists or
9 6 contract with a qualified chemical laboratory to determine by
9 7 chemical testing and analysis of saliva, urine, blood, or
9 8 other excretions or body fluids whether a substance or drug
9 9 has been introduced which may affect the outcome of a race or
9 10 whether an action has been taken or a substance or drug has
9 11 been introduced which may interfere with the testing

9 12 procedure. The commission shall adopt rules under chapter 17A
9 13 concerning procedures and actions taken on positive drug
9 14 reports. The commission may adopt by reference ~~the standards~~
9 15 ~~of the national association of state racing commissioners, the~~
9 16 ~~association of official racing chemists, and New York jockey~~
9 17 ~~club, or the United States trotting association, nationally~~
9 18 ~~recognized standards as determined by the commission~~ or may
9 19 adopt any other procedure or standard. The commission has the
9 20 authority to retain and preserve by freezing, test samples for
9 21 future analysis.

9 22 Sec. 20. Section 99D.25, subsection 1, paragraph a, Code
9 23 2003, is amended to read as follows:

9 24 a. "Drugging" means administering to a horse or dog any
9 25 substance foreign to the natural horse or dog prior to the
9 26 start of a race. However, in counties with a population of
9 27 two hundred fifty thousand or more, "drugging" does not
9 28 include administering to a horse the drugs ~~lasix~~ furosemide
9 29 and phenylbutazone in accordance with section 99D.25A and
9 30 rules adopted by the commission.

9 31 Sec. 21. Section 99D.25, subsection 5, Code 2003, is
9 32 amended to read as follows:

9 33 5. Every horse which suffers a breakdown on the racetrack,
9 34 in training, or in competition, and is destroyed, and every
9 35 other horse which expires while stabled on the racetrack under
10 1 the jurisdiction of the commission, shall undergo a postmortem
10 2 examination by a veterinarian or a veterinary pathologist at a
10 3 time and place acceptable to the commission veterinarian to
10 4 determine the injury or sickness which resulted in euthanasia
10 5 or natural death. ~~The postmortem examination shall be~~
10 6 ~~conducted by a veterinarian employed by the owner or the~~
10 7 ~~owner's trainer in the presence of and in consultation with~~
10 8 ~~the commission veterinarian.~~ Test samples shall be obtained
10 9 from the carcass upon which the postmortem examination is
10 10 conducted and shall be sent to a laboratory approved by the
10 11 commission for testing for foreign substances and natural
10 12 substances at abnormal levels. When practical, blood and
10 13 urine test samples should be procured prior to euthanasia.
10 14 The owner of the deceased horse is responsible for payment of
10 15 any charges due ~~the veterinarian employed to conduct the~~
10 16 ~~postmortem examination. The services of the commission~~
10 17 ~~veterinarian and the laboratory testing of postmortem samples~~
10 18 ~~shall be made available by the commission without charge to~~
10 19 ~~the owner.~~ A record of every postmortem shall be filed with
10 20 the commission by the ~~owner's~~ veterinarian or veterinary
10 21 pathologist who performed the postmortem within seventy-two
10 22 hours of the death ~~and shall be submitted on a form supplied~~
10 23 ~~by the commission.~~ Each owner and trainer accepts the
10 24 responsibility for the postmortem examination provided herein
10 25 as a requisite for maintaining the occupational license issued
10 26 by the commission.

10 27 Sec. 22. Section 99D.25, subsection 9, Code 2003, is
10 28 amended to read as follows:

10 29 9. The commission shall conduct random tests of bodily
10 30 substances of horses entered to race each day of a race
10 31 meeting to aid in the detection of any unlawful drugging. The
10 32 tests ~~shall~~ may be conducted both prior to and after a race.
10 33 The commission shall also test any horse that breaks down
10 34 during a race and shall perform an autopsy on any horse that
10 35 is killed or subsequently destroyed as a result of an accident
11 1 during a race.

11 2 Sec. 23. Section 99D.25A, subsections 3 through 7, Code
11 3 2003, are amended to read as follows:

11 4 3. If a horse is to race with phenylbutazone in its
11 5 system, the trainer, or trainer's designee, shall be
11 6 responsible for marking the information on the entry blank for
11 7 each race in which the horse shall use phenylbutazone.
11 8 Changes made after the time of entry must be submitted on the
11 9 prescribed form to the commission veterinarian no later than
11 10 scratch time.

11 11 4. If a test detects concentrations of phenylbutazone in
11 12 the system of a horse in excess of the level permitted in this
11 13 section, the commission shall assess a civil penalty against
11 14 the trainer of at least two hundred dollars for the first
11 15 offense and at least five hundred dollars for a second
11 16 offense. The penalty for a third or subsequent offense shall
11 17 be in the discretion of the commission. A penalty assessed
11 18 under this subsection shall not affect the placing of the
11 19 horse in the race.

11 20 5. ~~Lasix~~ Furosemide may be administered to certified
11 21 bleeders. Upon request, any horse placed on the bleeder list
11 22 shall, in its next race, be permitted the use of ~~lasix~~

11 23 furosemide. Once a horse has raced with ~~lasix~~ furosemide, it
11 24 must continue to race with ~~lasix~~ furosemide in all subsequent
11 25 races unless a request is made to discontinue the use. If the
11 26 use of ~~lasix~~ furosemide is discontinued, the horse shall be
11 27 prohibited from again racing with ~~lasix~~ furosemide unless it
11 28 is later observed to be bleeding. Requests for the use of or
11 29 discontinuance of ~~lasix~~ furosemide must be made to the
11 30 commission veterinarian by the horse's trainer or assistant
11 31 trainer on a form prescribed by the commission on or before
11 32 the day of entry into the race for which the request is made.

11 33 6. Once a horse has been permitted the use of ~~lasix~~
11 34 furosemide, the horse must be treated with ~~lasix~~ furosemide in
11 35 the horse's stall, unless the commission provides that a horse
12 1 must be brought to the detention barn for treatment. After
12 2 the ~~lasix~~ furosemide treatment, the commission, by rule, may
12 3 authorize the release of the horse from the horse's stall or
12 4 detention barn before the scheduled post time. If a horse is
12 5 brought to the detention barn late, the commission shall
12 6 assess a civil penalty of one hundred dollars against the
12 7 trainer.

12 8 7. A horse entered to race with ~~lasix~~ furosemide must be
12 9 treated at least four hours prior to post time. The ~~lasix~~
12 10 furosemide shall be administered intravenously by a
12 11 veterinarian employed by the owner or trainer of the horse.
12 12 The commission shall adopt rules to ensure that ~~lasix~~
12 13 furosemide is administered as provided in this section. The
12 14 commission shall require that the practicing veterinarian
12 15 deliver an affidavit signed by the veterinarian which
12 16 certifies information regarding the treatment of the horse.
12 17 The affidavit must be delivered to a commission veterinarian
12 18 within twenty minutes following the treatment. The statement
12 19 must at least include the name of the practicing veterinarian,
12 20 the tattoo number of the horse, the location of the barn and
12 21 stall where the treatment occurred, the race number of the
12 22 horse, the name of the trainer, and the time that the ~~lasix~~
12 23 furosemide was administered. ~~Lasix~~ Furosemide shall only be
12 24 administered in a dose level of two hundred fifty milligrams.

12 25 Sec. 24. Section 99F.1, Code Supplement 2003, is amended
12 26 by adding the following new subsection:

12 27 NEW SUBSECTION. 7A. "Excursion boat" means a self-
12 28 propelled, floating vessel that is or has been previously
12 29 certified by the United States coast guard for operation as a
12 30 vessel.

12 31 Sec. 25. Section 99F.1, subsection 8, Code Supplement
12 32 2003, is amended to read as follows:

12 33 8. "Excursion gambling boat" means ~~a self-propelled an~~
12 34 excursion boat or moored barge on which lawful gambling is
12 35 authorized and licensed as provided in this chapter.

13 1 Sec. 26. Section 99F.1, subsection 10, Code Supplement
13 2 2003, is amended to read as follows:

13 3 10. "Gambling game" means any game of chance authorized by
13 4 the commission. However, for racetrack enclosures, "gambling
13 5 game" does not include table games of chance or video machines
13 6 which simulate table games of chance, unless otherwise

13 7 authorized by this chapter. "Gambling game" does not include
13 8 sports betting.

13 9 Sec. 27. Section 99F.1, Code Supplement 2003, is amended
13 10 by adding the following new subsection:

13 11 NEW SUBSECTION. 10A. "Gaming floor" means that portion of
13 12 an excursion gambling boat or racetrack enclosure in which
13 13 gambling games are conducted as designated by the commission.

13 14 Sec. 28. Section 99F.1, subsection 12, Code Supplement
13 15 2003, is amended to read as follows:

13 16 12. "Holder of occupational license" means a person
13 17 licensed by the commission to perform an occupation which the
13 18 commission has identified as requiring a license to engage in
13 19 the excursion gambling boat gambling industry in Iowa.

13 20 Sec. 29. Section 99F.1, Code Supplement 2003, is amended
13 21 by adding the following new subsection:

13 22 14A. "Moored barge" means a floating barge or vessel that
13 23 is not self-propelled.

13 24 Sec. 30. Section 99F.1, subsection 16, Code Supplement
13 25 2003, is amended to read as follows:

13 26 16. "Racetrack enclosure" means all real property utilized
13 27 for the conduct of a race meeting, including the racetrack,

13 28 grandstand, clubhouse, turf club, or other areas of a licensed
13 29 racetrack which an individual may enter only upon payment of

13 30 an admission fee, or upon payment by another, at any time,
13 31 based upon the individual's admittance, or upon presentation

13 32 of authorized credentials. "Racetrack enclosure" also means
13 33 concession stands, offices, barns, kennels and barn areas.

13 34 employee housing facilities, parking lots, and any additional
13 35 areas designated by the commission.

14 1 Sec. 31. Section 99F.4, subsection 2, Code 2003, is
14 2 amended to read as follows:

14 3 2. To license qualified sponsoring organizations, to
14 4 license the operators of excursion gambling boats, to identify
14 5 occupations within the excursion gambling boat operations
14 6 which require licensing, and to adopt standards for licensing
14 7 the occupations including establishing fees for the
14 8 occupational licenses and licenses for qualified sponsoring
14 9 organizations. The fees shall be paid to the commission and
14 10 deposited in the general fund of the state. All revenue
14 11 received by the commission under this chapter from license
14 12 fees and ~~admission~~ regulatory fees shall be deposited in the
14 13 general fund of the state and shall be subject to the
14 14 requirements of section 8.60.

14 15 Sec. 32. Section 99F.4, subsection 6, Code 2003, is
14 16 amended to read as follows:

14 17 6. To investigate alleged violations of this chapter or
14 18 the commission rules, orders, or final decisions and to take
14 19 appropriate disciplinary action against a licensee or a holder
14 20 of an occupational license for a violation, or institute
14 21 appropriate legal action for enforcement, or both.

14 22 Information gathered during an investigation is confidential
14 23 during the pendency of the investigation.

14 24 Sec. 33. Section 99F.4, subsection 18, Code 2003, is
14 25 amended to read as follows:

14 26 18. To provide for the continuous videotaping of all
14 27 gambling activities on an excursion gambling boat. The
14 28 videotaping shall be performed under guidelines set by rule of
14 29 the division of criminal investigation and the rules may
14 30 require that all or part of the original tapes be submitted to
14 31 the division on a timely schedule.

14 32 Sec. 34. Section 99F.4, subsection 20, Code 2003, is
14 33 amended by striking the subsection.

14 34 Sec. 35. Section 99F.4, Code 2003, is amended by adding
14 35 the following new subsections:

15 1 NEW SUBSECTION. 23. To require licensees to establish a
15 2 process to allow a person to be voluntarily excluded for life
15 3 from an excursion gambling boat and all other licensed
15 4 facilities under this chapter and chapter 99D. The process
15 5 established shall require that a licensee disseminate
15 6 information regarding persons voluntarily excluded to all
15 7 licensees under this chapter and chapter 99D. The state and
15 8 any licensee under this chapter or chapter 99D shall not be
15 9 liable to any person for any claim which may arise from this
15 10 process. In addition to any other penalty provided by law,
15 11 any money or thing of value that has been obtained by, or is
15 12 owed to, a voluntarily excluded person by a licensee as a
15 13 result of wagers made by the person after the person has been
15 14 voluntarily excluded shall not be paid to the person but shall
15 15 be deposited into the gambling treatment fund created in
15 16 section 135.150.

15 17 NEW SUBSECTION. 24. To approve a licensee's application
15 18 to operate as a moored barge, an excursion boat that will
15 19 cruise, or an excursion boat that will not cruise, as
15 20 submitted pursuant to section 99F.7.

15 21 NEW SUBSECTION. 25. To conduct a socioeconomic study on
15 22 the impact of gambling on Iowans, every eight years beginning
15 23 in calendar year 2008, and issue a report on that study. The
15 24 commission shall ensure that the results of each study are
15 25 readily accessible to the public.

15 26 Sec. 36. Section 99F.4A, subsection 4, Code 2003, is
15 27 amended to read as follows:

15 28 4. The regulatory fee imposed in section 99D.14,
15 29 subsection 2, shall be collected ~~for admission to~~ from a
15 30 licensee of a racetrack enclosure where gambling games are
15 31 licensed to operate in lieu of the ~~admission~~ regulatory fee
15 32 imposed in section 99F.10.

15 33 Sec. 37. Section 99F.4A, subsection 8, Code 2003, is
15 34 amended by striking the subsection and inserting in lieu
15 35 thereof the following:

16 1 8. The commission shall, upon application of a licensee of
16 2 a pari-mutuel dog or horse racetrack licensed to conduct
16 3 gambling games at a pari-mutuel racetrack enclosure, issue a
16 4 license to the licensee to conduct table games of chance,
16 5 including video machines that simulate table games of chance,
16 6 at the pari-mutuel racetrack enclosure subject to the
16 7 requirements of this subsection. The application shall
16 8 identify the number of table games to be installed by the
16 9 licensee. However, a table games license shall only be issued

16 10 to a licensee required to pay a table games license fee of
16 11 three million dollars under this subsection if the licensee,
16 12 and all other licensees of an excursion gambling boat in that
16 13 county, file an agreement with the commission authorizing the
16 14 granting of a table games license under this subsection and
16 15 permitting all licensees of an excursion gambling boat to
16 16 operate a barge as of a specific date. The licensee shall be
16 17 granted a table games license by the commission without
16 18 conducting a separate referendum authorizing table games upon
16 19 payment of the applicable license fee to the commission which
16 20 table games license fee may be offset by the licensee against
16 21 taxes imposed on the licensee by section 99F.11, to the extent
16 22 of twenty percent of the table taxes license fee paid pursuant
16 23 to this subsection for each of the five years following the
16 24 year in which the table games license fee was paid. A
16 25 licensee shall not be required to pay a fee to renew a table
16 26 games license issued pursuant to this subsection.

16 27 For purposes of this subsection, the applicable license fee
16 28 for a licensee shall be three million dollars if the adjusted
16 29 gross receipts from gambling games for the licensee in the
16 30 previous fiscal year was less than one hundred million
16 31 dollars, and shall be ten million dollars if the adjusted
16 32 gross receipts from gambling games for the licensee in the
16 33 previous fiscal year was one hundred million dollars or more.

16 34 Sec. 38. NEW SECTION. 99F.4C MORATORIUM FOR ISSUANCE OF
16 35 LICENSES FOR GAMBLING GAMES AND PARI-MUTUEL WAGERING AND ON
17 1 THE NUMBER OF GAMBLING GAMES OR SLOT MACHINES.

17 2 1. Commencing with the effective date of this section of
17 3 this Act, the commission shall not issue a license to conduct
17 4 pari-mutuel wagering at a racetrack pursuant to chapter 99D or
17 5 to conduct gambling games on an excursion boat or at a pari-
17 6 mutuel racetrack pursuant to this chapter. However, this
17 7 moratorium shall not apply to the granting of a table games
17 8 license as provided by this chapter.

17 9 2. Commencing with the effective date of this section of
17 10 this Act, the commission shall not authorize any of the
17 11 following:

17 12 a. An increase in the number of gambling games or the
17 13 number of slot machines on an excursion gambling boat.

17 14 b. An increase in the number of gambling games from the
17 15 number specified in the application for a table games license
17 16 or the number of slot machines at a pari-mutuel racetrack.

17 17 3. This section does not affect the validity of a license
17 18 issued by the commission pursuant to chapter 99D or this
17 19 chapter before the effective date of this section of this Act
17 20 or the authority of the commission to suspend, revoke,
17 21 transfer, or renew a license issued before the effective date
17 22 of this section of this Act pursuant to chapter 99D or this
17 23 chapter.

17 24 Sec. 39. Section 99F.5, subsection 1, Code 2003, is
17 25 amended to read as follows:

17 26 1. A qualified sponsoring organization may apply to the
17 27 commission for a license to conduct gambling games on an
17 28 excursion gambling boat as provided in this chapter. A person
17 29 may apply to the commission for a license to operate an
17 30 excursion gambling boat. An operating agreement entered into
17 31 on or after the effective date of this section of this Act
17 32 between a qualified sponsoring organization and an operator
17 33 shall provide for a minimum distribution by the qualified
17 34 sponsoring organization for educational, civic, public,
17 35 charitable, patriotic, or religious uses as defined in section
18 1 99B.7, subsection 3, paragraph "b", that averages at least
18 2 three percent of the adjusted gross receipts for each license
18 3 year. The application shall be filed with the administrator

18 4 of the commission at least ninety days before the first day of
18 5 the next excursion season as determined by the commission,
18 6 shall identify the excursion gambling boat upon which gambling
18 7 games will be authorized, shall specify the exact location
18 8 where the excursion gambling boat will be docked, and shall be
18 9 in a form and contain information as the commission
18 10 prescribes. The minimum passenger capacity of an excursion
18 11 gambling boat is two hundred fifty persons.

18 12 Sec. 40. Section 99F.6, subsection 4, paragraph a, Code
18 13 Supplement 2003, is amended to read as follows:

18 14 a. Before a license is granted, the division of criminal
18 15 investigation of the department of public safety shall conduct
18 16 a thorough background investigation of the applicant for a
18 17 license to operate a gambling game operation on an excursion
18 18 gambling boat. The applicant shall provide information on a
18 19 form as required by the division of criminal investigation. A
18 20 qualified sponsoring organization licensed to operate gambling

18 21 games under this chapter shall distribute the receipts of all
18 22 gambling games, less reasonable expenses, charges, taxes,
18 23 fees, and deductions allowed under this chapter, as winnings
18 24 to players or participants or shall distribute the receipts
18 25 for educational, civic, public, charitable, patriotic, or
18 26 religious uses as defined in section 99B.7, subsection 3,
18 27 paragraph "b". However, a licensee to conduct gambling games
18 28 under this chapter shall, unless an operating agreement for an
18 29 excursion gambling boat otherwise provides, distribute at
18 30 least three percent of the adjusted gross receipts for each
18 31 license year for educational, civic, public, charitable,
18 32 patriotic, or religious uses as defined in section 99B.7,
18 33 subsection 3, paragraph "b". However, if a licensee who is
18 34 also licensed to conduct pari-mutuel wagering at a horse
18 35 racetrack has unpaid debt from the pari-mutuel racetrack
19 1 operations, the first receipts of the gambling games operated
19 2 within the racetrack enclosure less reasonable operating
19 3 expenses, taxes, and fees allowed under this chapter shall be
19 4 first used to pay the annual indebtedness. The commission
19 5 shall authorize, subject to the debt payments for horse
19 6 racetracks and the provisions of paragraph "b" for dog
19 7 racetracks, a licensee who is also licensed to conduct pari=
19 8 mutuel dog or horse racing to use receipts from gambling games
19 9 within the racetrack enclosure to supplement purses for races
19 10 particularly for Iowa-bred horses pursuant to an agreement
19 11 which shall be negotiated between the licensee and
19 12 representatives of the dog or horse owners. For each
19 13 agreement concerning purses for horse racing beginning on or
19 14 after January 1, 2006, and ending before January 1, 2021, the
19 15 agreement shall provide that total annual purses for horse
19 16 racing at every racetrack enclosure within Polk county shall
19 17 be no less than eleven percent of the first two hundred
19 18 million dollars of net receipts, and six percent of net
19 19 receipts above two hundred million dollars. A qualified
19 20 sponsoring organization shall not make a contribution to a
19 21 candidate, political committee, candidate's committee, state
19 22 statutory political committee, county statutory political
19 23 committee, national political party, or fund-raising event as
19 24 these terms are defined in section 68A.102. The membership of
19 25 the board of directors of a qualified sponsoring organization
19 26 shall represent a broad interest of the communities. For
19 27 purposes of this paragraph, "net receipts" means the annual
19 28 adjusted gross receipts from all gambling games less the
19 29 annual amount of money pledged by the owner of the facility to
19 30 fund a project approved to receive vision Iowa funds as of
19 31 July 1, 2004.

19 32 Sec. 41. Section 99F.7, subsection 1, Code 2003, is
19 33 amended to read as follows:
19 34 1. If the commission is satisfied that this chapter and
19 35 its rules adopted under this chapter applicable to licensees
20 1 have been or will be complied with, the commission shall issue
20 2 a license for a period of not more than three years to an
20 3 applicant to own a gambling game operation and to an applicant
20 4 to operate an excursion gambling boat. The commission shall
20 5 decide which of the gambling games authorized under this
20 6 chapter ~~it~~ the commission will permit. The commission shall
20 7 decide the number, location, and type of excursion gambling
20 8 boats licensed under this chapter for operation on the rivers,
20 9 lakes, and reservoirs of this state. An excursion gambling
20 10 boat may be located or operated on a natural or man-made lake
20 11 or reservoir if the lake or reservoir is of sufficient size to
20 12 accommodate recreational activity. An excursion gambling boat
20 13 may also be located on a body of water adjacent to a river,
20 14 provided it is located no more than one thousand feet from the
20 15 closest edge of the river, as established by the commission in
20 16 consultation with the United States army corps of engineers,
20 17 the department of natural resources, or other appropriate
20 18 regulatory agency. The license shall set forth, as
20 19 applicable, the name of the licensee, the type of license
20 20 granted, the place where the excursion gambling boats will
20 21 operate and dock, and the time and number of days during the
20 22 excursion season and the off season when gambling may be
20 23 conducted by the licensee. ~~The~~
20 24 1A. a. An applicant for a license to conduct gambling
20 25 games on an excursion gambling boat, and each licensee by June
20 26 30 of each year thereafter, shall indicate and have noted on
20 27 the license whether the applicant or licensee will operate a
20 28 moored barge, an excursion boat that will cruise, or an
20 29 excursion boat that will not cruise subject to the
20 30 requirements of this subsection. If the applicant or licensee
20 31 will operate a moored barge or an excursion boat that will not

20 32 cruise, the requirements of this chapter concerning cruising
20 33 shall not apply. If the applicant's or licensee's excursion
20 34 boat will cruise, the applicant or licensee shall comply with
20 35 the cruising requirements of this chapter and the commission
21 1 shall not allow such a licensee to conduct gambling games on
21 2 an excursion gambling boat while docked during the off season
21 3 if the licensee does not operate gambling excursions for a
21 4 minimum number of days during the excursion season. The
21 5 commission may delay the commencement of the excursion season
21 6 at the request of a licensee.
21 7 b. However, an applicant or licensee of an excursion
21 8 gambling boat that is located in the same county as a
21 9 racetrack enclosure conducting gambling games shall not be
21 10 allowed to operate a moored barge unless either of the
21 11 following applies:
21 12 (1) If the licensee is located in the same county as a
21 13 racetrack enclosure conducting gambling games that had less
21 14 than one hundred million dollars in adjusted gross receipts
21 15 from gambling games for the fiscal year beginning July 1,
21 16 2003, the licensee of an excursion gambling boat is authorized
21 17 to operate a moored barge if the licensee, the licensee of the
21 18 racetrack enclosure, and all other licensees of an excursion
21 19 gambling boat in that county file an agreement with the
21 20 commission agreeing to the granting of a table games license
21 21 under this chapter and permitting all licensees of an
21 22 excursion gambling boat in the county to operate a barge as of
21 23 a specific date.
21 24 (2) If the licensee is located in the same county as a
21 25 racetrack enclosure conducting gambling games that had one
21 26 hundred million dollars or more in adjusted gross receipts
21 27 from gambling games for the fiscal year beginning July 1,
21 28 2003, the licensee of an excursion gambling boat is authorized
21 29 to operate a moored barge the earlier of January 1, 2010, or
21 30 the date all licensees in the county file an agreement with
21 31 the commission agreeing to the licensee of an excursion
21 32 gambling boat to operate a moored barge.
21 33 Sec. 42. Section 99F.7, subsection 3, Code 2003, is
21 34 amended to read as follows:
21 35 3. The commission shall require, as a condition of
22 1 granting a license, that an applicant to operate an excursion
22 2 gambling boat develop, and as nearly as practicable, recreate
22 3 boats or moored barges that resemble Iowa's riverboat history.
22 4 Sec. 43. Section 99F.7, subsection 4, Code 2003, is
22 5 amended to read as follows:
22 6 4. The commission shall require that an applicant utilize
22 7 Iowa resources, goods and services in the operation of an
22 8 excursion gambling boat. The commission shall develop
22 9 standards to assure that a substantial amount of all resources
22 10 and goods used in the operation of an excursion gambling boat
22 11 come emanate from and are made in Iowa and that a substantial
22 12 amount of all services and entertainment be are provided by
22 13 Iowans.
22 14 Sec. 44. Section 99F.7, subsection 5, paragraph b, Code
22 15 2003, is amended by striking the paragraph.
22 16 Sec. 45. Section 99F.7, subsection 9, Code 2003, is
22 17 amended to read as follows:
22 18 9. a. A licensee shall not loan to any person money or
22 19 any other thing of value for the purpose of permitting that
22 20 person to wager on any game of chance.
22 21 b. A licensee shall not permit a financial institution,
22 22 vendor, or other person to dispense cash or credit through an
22 23 electronic or mechanical device including but not limited to a
22 24 satellite terminal, as defined in section 527.2, that is
22 25 located on the gaming floor.
22 26 c. A licensee shall ensure that a person may voluntarily
22 27 bar the person's access to receive cash or credit from a
22 28 financial institution, vendor, or other person through an
22 29 electronic or mechanical device including but not limited to a
22 30 satellite terminal as defined in section 527.2 that is located
22 31 on the licensed premises .
22 32 Sec. 46. Section 99F.7, subsection 10, paragraph e, Code
22 33 2003, is amended to read as follows:
22 34 e. After a referendum has been held which defeated a
22 35 proposal to conduct gambling games on excursion gambling boats
23 1 or which defeated a proposal to conduct gambling games at a
23 2 licensed pari-mutuel racetrack enclosure as provided in this
23 3 section, another referendum on a proposal to conduct gambling
23 4 games on an excursion gambling boat or at a licensed pari-
23 5 mutuel racetrack shall not be held for at least two eight
23 6 years.
23 7 Sec. 47. Section 99F.9, subsection 5, Code 2003, is

23 8 amended to read as follows:
23 9 5. A person under the age of twenty-one years shall not
23 10 make ~~or attempt to make~~ a wager on an excursion gambling boat
23 11 ~~or in a racetrack enclosure and shall not be allowed in the~~
23 12 ~~area on the gaming floor of the an excursion gambling boat~~
23 13 ~~where gambling is being conducted or of a racetrack enclosure.~~
23 14 However, a person eighteen years of age or older may be
23 15 employed to work ~~in a gambling area on the gaming floor of an~~
23 16 ~~excursion gambling boat or a racetrack enclosure. A person~~
23 17 ~~who violates this subsection with respect to making or~~
23 18 ~~attempting to make a wager commits a scheduled violation under~~
23 19 ~~section 805.8C, subsection 4.~~

23 20 Sec. 48. Section 99F.10, Code 2003, is amended to read as
23 21 follows:

23 22 99F.10 ~~ADMISSION REGULATORY FEE == TAX == LOCAL FEES.~~

23 23 1. A qualified sponsoring organization conducting gambling
23 24 games on an excursion gambling boat licensed under section
23 25 99F.7 shall pay the tax imposed by section 99F.11.

23 26 2. An excursion ~~gambling~~ boat licensee shall pay to the
23 27 commission ~~an admission a regulatory fee for each person~~
23 28 ~~embarking on an excursion gambling boat with a ticket of~~
23 29 ~~admission to be charged as provided in this section. The~~
23 30 ~~admission fee shall be set by the commission.~~

23 31 a. ~~If tickets are issued which are good for more than one~~
23 32 ~~excursion, the admission fee shall be paid for each person~~
23 33 ~~using the ticket on each excursion that the ticket is used.~~

23 34 b. ~~If free passes or complimentary admission tickets are~~
23 35 ~~issued, the licensee shall pay the same fee upon these passes~~
24 1 ~~or complimentary tickets as if they were sold at the regular~~
24 2 ~~and usual admission rate.~~

24 3 c. ~~However, the excursion boat licensee may issue fee-free~~
24 4 ~~passes to actual and necessary officials and employees of the~~
24 5 ~~licensee or other persons actually working on the excursion~~
24 6 ~~gambling boat.~~

24 7 d. ~~The issuance of fee-free passes is subject to the rules~~
24 8 ~~of the commission, and a list of all persons to whom the fee=~~
24 9 ~~free passes are issued shall be filed with the commission.~~

24 10 3. ~~In addition to the admission fee charged under~~
24 11 ~~subsection 2 and subject Subject to approval of excursion~~
24 12 ~~gambling boat docking by the voters, a city may adopt, by~~
24 13 ~~ordinance, an admission fee not exceeding fifty cents for each~~
24 14 ~~person embarking on an excursion gambling boat docked within~~
24 15 ~~the city or a county may adopt, by ordinance, an admission fee~~
24 16 ~~not exceeding fifty cents for each person embarking on an~~
24 17 ~~excursion gambling boat docked outside the boundaries of a~~
24 18 ~~city. The admission revenue received by a city or a county~~
24 19 ~~shall be credited to the city general fund or county general~~
24 20 ~~fund as applicable.~~

24 21 4. In determining the license fees and state ~~admission~~
24 22 ~~regulatory~~ fees to be charged as provided under section 99F.4
24 23 and this section, the commission shall use the amount
24 24 appropriated to the commission plus the cost of salaries for
24 25 no more than two special agents and no more than four gaming
24 26 enforcement officers for each excursion gambling boat, ~~plus~~
24 27 ~~any direct and indirect support costs for the agents and~~
24 28 ~~officers, for the division of criminal investigation's~~
24 29 ~~excursion gambling boat activities and an amount for all~~
24 30 ~~licensees, not to exceed one hundred twenty-five thousand~~
24 31 ~~dollars, representing other associated costs of the division,~~
24 32 ~~as the basis for determining the amount of revenue to be~~
24 33 ~~raised from the license fees and admission regulatory fees.~~
24 34 ~~The division's salary costs shall be limited to eighty percent~~
24 35 ~~of the salary costs for special agents and eighty percent of~~
25 1 ~~the salary costs for gaming enforcement for personnel assigned~~
25 2 ~~to excursion gambling boats who enforce laws and rules adopted~~
25 3 ~~by the commission.~~

25 4 5. No other license tax, permit tax, occupation tax,
25 5 excursion fee, or taxes on fees shall be levied, assessed, or
25 6 collected from a licensee by the state or by a political
25 7 subdivision, except as provided in this chapter.

25 8 6. No other excise tax shall be levied, assessed, or
25 9 collected from the licensee relating to gambling excursions or
25 10 admission charges by the state or by a political subdivision,
25 11 except as provided in this chapter.

25 12 Sec. 49. Section 99F.11, Code Supplement 2003, is amended
25 13 to read as follows:

25 14 99F.11 ~~WAGERING TAX == RATE == ALLOCATIONS.~~

25 15 1. A tax is imposed on the adjusted gross receipts
25 16 received ~~annually each fiscal year~~ from gambling games
25 17 authorized under this chapter at the rate of five percent on
25 18 the first one million dollars of adjusted gross receipts, ~~and~~

25 19 at the rate of ten percent on the next two million dollars of
25 20 adjusted gross receipts, ~~and at the rate of twenty percent~~
25 21 ~~2. The tax rate imposed each fiscal year on any amount of~~
25 22 ~~adjusted gross receipts over three million dollars. However,~~
25 23 ~~beginning January 1, 1997, the rate on any amount of adjusted~~
25 24 ~~gross receipts over three million dollars from gambling games~~
25 25 ~~at racetrack enclosures is twenty-two percent and shall~~
25 26 ~~increase by two percent each succeeding calendar year until~~
25 27 ~~the rate is thirty-six percent. shall be as follows:~~
25 28 ~~a. If the licensee is an excursion gambling boat, twenty=~~
25 29 ~~two percent.~~
25 30 ~~b. If the licensee is a racetrack enclosure conducting~~
25 31 ~~gambling games and another licensee of an excursion gambling~~
25 32 ~~boat is located in the same county, then the following rate,~~
25 33 ~~as applicable:~~
25 34 ~~(1) If the licensee of the racetrack enclosure has not~~
25 35 ~~been issued a table games license during the fiscal year or if~~
26 1 ~~the adjusted gross receipts from gambling games of the~~
26 2 ~~licensee in the prior fiscal year were less than one hundred~~
26 3 ~~million dollars, twenty=two percent.~~
26 4 ~~(2) If the licensee of the racetrack enclosure has been~~
26 5 ~~issued a table games license during the fiscal year and the~~
26 6 ~~adjusted gross receipts from gambling games of the licensee in~~
26 7 ~~the prior fiscal year were one hundred million dollars or~~
26 8 ~~more, twenty=four percent.~~
26 9 ~~c. If the licensee is a racetrack enclosure conducting~~
26 10 ~~gambling games and no licensee of an excursion gambling boat~~
26 11 ~~is located in the same county, twenty=four percent.~~
26 12 ~~3. The taxes imposed by this section shall be paid by the~~
26 13 ~~licensee to the treasurer of state within ten days after the~~
26 14 ~~close of the day when the wagers were made and shall be~~
26 15 ~~distributed as follows:~~
26 16 ~~1- a. If the gambling excursion originated at a dock~~
26 17 ~~located in a city, one-half of one percent of the adjusted~~
26 18 ~~gross receipts shall be remitted to the treasurer of the city~~
26 19 ~~in which the dock is located and shall be deposited in the~~
26 20 ~~general fund of the city. Another one-half of one percent of~~
26 21 ~~the adjusted gross receipts shall be remitted to the treasurer~~
26 22 ~~of the county in which the dock is located and shall be~~
26 23 ~~deposited in the general fund of the county.~~
26 24 ~~2- b. If the gambling excursion originated at a dock~~
26 25 ~~located in a part of the county outside a city, one-half of~~
26 26 ~~one percent of the adjusted gross receipts shall be remitted~~
26 27 ~~to the treasurer of the county in which the dock is located~~
26 28 ~~and shall be deposited in the general fund of the county.~~
26 29 ~~Another one-half of one percent of the adjusted gross receipts~~
26 30 ~~shall be remitted to the treasurer of the Iowa city nearest to~~
26 31 ~~where the dock is located and shall be deposited in the~~
26 32 ~~general fund of the city.~~
26 33 ~~3- c. Three-tenths One-half of one percent of the adjusted~~
26 34 ~~gross receipts shall be deposited in the gambling treatment~~
26 35 ~~fund specified in section 99G.39, subsection 1, paragraph "a"~~
27 1 ~~created in section 135.150.~~
27 2 ~~d. One-half of one percent of the adjusted gross receipts~~
27 3 ~~shall be deposited in the county endowment fund created in~~
27 4 ~~section 15E.311.~~
27 5 ~~4- e. The remaining amount of the adjusted gross receipts~~
27 6 ~~tax shall be credited to the general fund of the state.~~
27 7 ~~Sec. 50. Section 99F.12, Code 2003, is amended to read as~~
27 8 ~~follows:~~
27 9 ~~99F.12 LICENSEES == RECORDS == REPORTS == SUPERVISION.~~
27 10 ~~1. A licensee shall keep its books and records so as to~~
27 11 ~~clearly show all of the following:~~
27 12 ~~1- a. The total number of admissions to gambling~~
27 13 ~~excursions conducted by the licensee on each day, including~~
27 14 ~~the number of admissions upon free passes or complimentary~~
27 15 ~~tickets for each day of operation.~~
27 16 ~~2- b. The amount received daily from admission fees.~~
27 17 ~~3- The total amount of money wagered during each excursion~~
27 18 ~~day and the adjusted gross receipts for the each day of~~
27 19 ~~operation.~~
27 20 ~~2. The licensee shall furnish to the commission reports~~
27 21 ~~and information as the commission may require with respect to~~
27 22 ~~its activities. The gross receipts and adjusted gross~~
27 23 ~~receipts from gambling shall be separately handled and~~
27 24 ~~accounted for from all other moneys received from operation of~~
27 25 ~~an excursion gambling boat. The commission may designate a~~
27 26 ~~representative to board a licensed excursion gambling boat,~~
27 27 ~~who shall have full access to all places within the enclosure~~
27 28 ~~of the boat, who shall directly supervise the handling and~~
27 29 ~~accounting of all gross receipts and adjusted gross receipts~~

27 30 from gambling, and who shall supervise and check the
27 31 admissions. The compensation of a representative shall be
27 32 fixed by the commission but shall be paid by the licensee.
27 33 3. The books and records kept by a licensee as provided by
27 34 this section are public records and the examination,
27 35 publication, and dissemination of the books and records are
28 1 governed by the provisions of chapter 22.
28 2 Sec. 51. Section 99F.17, subsections 5 and 6, Code 2003,
28 3 are amended to read as follows:
28 4 5. The manufacturer or distributor of gambling games or
28 5 implements of gambling shall provide the commission with a
28 6 ~~copy of the invoice written notice~~ showing the items shipped
28 7 to the licensee and a copy of the bill of lading.
28 8 6. Subsection 2 does not apply in the following cases, if
28 9 approved by the commission:
28 10 a. Gambling games or implements of gambling previously
28 11 ~~installed on an excursion gambling boat in a gambling location~~
28 12 licensed in another jurisdiction.
28 13 b. Gambling games or implements of gambling previously
28 14 ~~installed on an excursion gambling boat in a gambling location~~
28 15 licensed in this state.
28 16 Sec. 52. Section 99G.39, subsection 1, paragraph a, Code
28 17 Supplement 2003, is amended to read as follows:
28 18 a. An amount equal to ~~three-tenths~~ one-half of one percent
28 19 of the gross lottery revenue for the year shall be deposited
28 20 in ~~a the gambling treatment fund in the office of the~~
28 21 ~~treasurer of state created in section 135.150.~~
28 22 Sec. 53. NEW SECTION. 135.150 GAMBLING TREATMENT FUND.
28 23 1. A gambling treatment fund is created in the state
28 24 treasury under the control of the department. The fund
28 25 consists of all moneys appropriated to the fund. However, if
28 26 moneys appropriated to the fund in a fiscal year exceed six
28 27 million dollars, the amount exceeding six million dollars
28 28 shall be transferred to the general fund of the state. Moneys
28 29 in the fund are appropriated to the department for the
28 30 purposes described in this section.
28 31 2. Moneys appropriated to the department under this
28 32 section shall be for the purpose of operating a gambling
28 33 treatment program and shall be used for funding of
28 34 administrative costs and to provide programs which may
28 35 include, but are not limited to, outpatient and follow-up
29 1 treatment for persons affected by problem gambling,
29 2 rehabilitation and residential treatment programs, information
29 3 and referral services, crisis call access, education and
29 4 preventive services, and financial management and credit
29 5 counseling services.
29 6 3. Notwithstanding section 12C.7, subsection 2, interest
29 7 or earnings on moneys deposited in the gambling treatment fund
29 8 shall be credited to the gambling treatment fund.
29 9 Notwithstanding section 8.33, moneys credited to the gambling
29 10 treatment fund shall not revert to the fund from which
29 11 appropriated at the close of a fiscal year.
29 12 4. The department shall report semiannually to the
29 13 legislative government oversight committees regarding the
29 14 operation of the gambling treatment fund and program. The
29 15 report shall include, but is not limited to, information on
29 16 revenues and expenses related to the fund for the previous
29 17 period, fund balances for the period, and moneys expended and
29 18 grants awarded for operation of the gambling treatment
29 19 program.
29 20 Sec. 54. Section 421.17, Code Supplement 2003, is amended
29 21 by adding the following new subsection:
29 22 NEW SUBSECTION. 28. To administer the county endowment
29 23 fund created in section 15E.311.
29 24 Sec. 55. NEW SECTION. 725.19 GAMBLING BY MINORS.
29 25 1. Any person under the age of twenty-one years shall not
29 26 make or attempt to make a gambling wager, except as permitted
29 27 under chapter 99B. A person who violates this subsection
29 28 commits a scheduled violation under section 805.8C, subsection
29 29 4.
29 30 2. A person who knowingly permits a person under the age
29 31 of twenty-one years to make or attempt to make a gambling
29 32 wager, except as permitted under chapter 99B, is guilty of a
29 33 simple misdemeanor.
29 34 Sec. 56. Section 805.8C, Code 2003, is amended by adding
29 35 the following new subsection:
30 1 NEW SUBSECTION. 4. GAMBLING VIOLATIONS. For violations
30 2 of legal age for gambling wagering under section 99D.11,
30 3 subsection 7, section 99F.9, subsection 5, and section 725.19,
30 4 subsection 1, the scheduled fine is five hundred dollars.
30 5 Failure to pay the fine by a person under the age of eighteen

30 6 shall not result in the person being detained in a secure
30 7 facility.

30 8 Sec. 57. Sections 99D.14A and 99F.10A, Code 2003, are
30 9 repealed.

30 10 Sec. 58. SOCIOECONOMIC STUDY OF GAMBLING.

30 11 1. The legislative council shall commission a study by an
30 12 independent entity to study the socioeconomic impact of
30 13 gambling on Iowans. The legislative council is authorized to
30 14 expend up to one hundred thousand dollars to complete the
30 15 study. The legislative council shall make the report
30 16 available by July 1, 2005.

30 17 2. The study shall be an empirical study and include, but
30 18 not be limited to, the following matters:

30 19 a. The economic impact of gambling on communities and
30 20 other businesses.

30 21 b. The impact of gambling, if any, on family finances and
30 22 family relations in general.

30 23 c. Demographic information on gamblers.

30 24 d. An assessment of the impact, if any, of pathological or
30 25 problem gambling on individuals, families, social
30 26 institutions, criminal activity, and the economy.

30 27 e. Other relevant issues to fully examine the
30 28 socioeconomic impact of gambling.

30 29 Sec. 59. TRANSITION PROVISIONS == EXCURSION GAMBLING BOAT
30 30 CRUISING. A licensee authorized to conduct gambling games on
30 31 an excursion gambling boat pursuant to chapter 99F as of
30 32 January 1, 2004, shall, no later than June 1, 2004, notify the
30 33 racing and gaming commission in writing if the licensee
30 34 intends to operate a moored barge, an excursion boat that will
30 35 cruise, or an excursion boat that will not cruise. However, a
31 1 licensee that is located in the same county as a licensee of a
31 2 racetrack enclosure that conducts gambling games shall not be
31 3 allowed to operate a moored barge unless the licensee complies
31 4 with the following requirements. If the licensee is located
31 5 in the same county as a racetrack enclosure conducting
31 6 gambling games that had less than one hundred million dollars
31 7 in adjusted gross receipts from gambling games for the fiscal
31 8 year beginning July 1, 2003, the licensee of an excursion
31 9 gambling boat is authorized to operate a moored barge if the
31 10 licensee, the licensee of the racetrack enclosure, and all
31 11 other licensees of an excursion gambling boat in that county
31 12 file an agreement with the commission agreeing to the granting
31 13 of a table games license under chapter 99F and permitting all
31 14 licensees of an excursion gambling boat to operate a barge as
31 15 of a specific date. If the licensee is located in the same
31 16 county as a racetrack enclosure conducting gambling games that
31 17 had one hundred million dollars or more in adjusted gross
31 18 receipts from gambling games for the fiscal year beginning
31 19 July 1, 2003, the licensee of an excursion gambling boat is
31 20 authorized to operate a moored barge if all licensees in the
31 21 county file an agreement with the commission agreeing to the
31 22 licensee of the excursion gambling boat to operate a moored
31 23 barge. The racing and gaming commission shall make the
31 24 election of each licensee under this section public by June 7,
31 25 2004. A licensee who initially elects to operate a moored
31 26 barge or an excursion boat that will not cruise may, no later
31 27 than June 30, 2004, change its election and elect to operate
31 28 an excursion boat that will cruise.

31 29 Sec. 60. 2002=2004 RACETRACK ENCLOSURES == GAMBLING GAMES
31 30 TAX.

31 31 1. Notwithstanding any provision of section 99F.11 to the
31 32 contrary, a racetrack enclosure conducting gambling games
31 33 shall pay a tax on the adjusted gross receipts over three
31 34 million dollars received for the fiscal year beginning July 1,
31 35 2002, and ending June 30, 2003, and for the fiscal year
32 1 beginning July 1, 2003, and ending June 30, 2004, from
32 2 gambling games authorized under chapter 99F at the following
32 3 tax rate for each fiscal year:

32 4 a. If the licensee of the racetrack enclosure conducting
32 5 gambling games received adjusted gross receipts from gambling
32 6 games in the fiscal year beginning July 1, 2002, of less than
32 7 one hundred million dollars, twenty=two percent.

32 8 b. If the licensee of the racetrack enclosure conducting
32 9 gambling games received adjusted gross receipts from gambling
32 10 games in the fiscal year beginning July 1, 2002, of one
32 11 hundred million dollars or more, twenty=four percent.

32 12 2. Taxes imposed by this section shall be distributed as
32 13 provided in section 99F.11.

32 14 Sec. 61. EFFECTIVE DATE == RETROACTIVE APPLICABILITY.

32 15 1. The section of this Act amending section 99D.6 takes
32 16 effect April 1, 2004. If this Act is enacted after April 1,

32 17 2004, the section of this Act amending section 99D.6, being
32 18 deemed of immediate importance, takes effect upon enactment
32 19 and is retroactively applicable to April 1, 2004, and is
32 20 applicable on and after that date.

32 21 2. The section of this Act amending section 99D.25,
32 22 subsection 5, takes effect April 1, 2004. If this Act is
32 23 enacted after April 1, 2004, the section of this Act amending
32 24 section 99D.25, subsection 5, being deemed of immediate
32 25 importance, takes effect upon enactment and is retroactively
32 26 applicable to April 1, 2004, and is applicable on and after
32 27 that date.

32 28 2A. The section of this Act enacting section 99F.4C, being
32 29 deemed of immediate importance, takes effect upon enactment.

32 30 3. The section of this Act amending section 99F.5,
32 31 subsection 1, being deemed of immediate importance, takes
32 32 effect upon enactment.

32 33 4. The section of this Act amending section 99F.7,
32 34 subsection 10, paragraph "e", being deemed of immediate
32 35 importance, takes effect upon enactment and is retroactively
33 1 applicable to referendums held on or after January 1, 2002.

33 2 5. The section of this Act requiring a socioeconomic study
33 3 of gambling, being deemed of immediate importance, takes
33 4 effect upon enactment.

33 5 6. The section of this Act establishing transition
33 6 provisions concerning excursion gambling boat cruising, being
33 7 deemed of immediate importance, takes effect upon enactment.

33 8 7. The section of this Act establishing a 2002=2004
33 9 racetrack enclosure gambling games tax, being deemed of
33 10 immediate importance, takes effect upon enactment and is
33 11 retroactively applicable to July 1, 2002, and is applicable on
33 12 and after that date.

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